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MINISTRY OF COMMERCE

RESOLUTION

New Delhi, the 28th October 1950

No. 23(71)-Law (OL)48.—The Indian Companies Act, 1913, was extensively revised last in 1936. Several provisions of it were found to be not fully adequate to meet the altered conditions of the present day. These provisions were, therefore, examined successively by two lawyers and their recommendations were further examined by an officer who had been Registrar of Joint Stock Companies. The recommendations that emerged from these examinations were embodied in a Memorandum which was circulated in October 1949 to the State Governments and commercial and other interests concerned for eliciting comment. Having received various suggestions and proposals in this connection, the Government of India have decided to set up a Committee to examine the question of revision of the Indian Companies Act with the following terms of reference:

“(1) Having due regard to the conditions necessary for the healthy growth of Joint Stock enterprises and the desirability of adequately safeguarding the interests of investors and the public to consider and report what amendments are necessary in the Indian Companies Act, 1913 as amended by Act XXII of 1936, with particular reference to—

- (a) the formation of companies and the day-to-day conduct of their business;
- (b) the powers of the management vis-à-vis shareholders and the relations between them;
- (c) the safeguards required against abuse of such company practices as the interlocking of directorates, voting control by majority interests in company ownership and management etc., which may be prejudicial to the public interest;
- (d) the measures necessary to promote efficient and economic management of companies.

(2) To consider and report on any other matter, incidental to the administration of the Indian Companies Act, in its bearing on the development of Indian trade and industry."—

2. The Committee will be constituted as follows:—

Chairman.

Shri C. H. Bhabha.

Members.

1. Shri Hussian Iman, M.P.
2. Shri M. Shankaraiya, M.P.
3. Shri Mohanlal L. Shah.
4. Mr. A. D. Vickers.
5. Shri Jagmohandas J. Kapadia.
6. Shri Pratap Narayan Vajpeyi.
7. Shri V. S. Krishnaswami.
8. Shri G. P. Kapadia, President, Council of the Institute of Chartered Accountants of India.
9. Shri Tricumdas Dwarkadas.
10. Shri S. M. Basu.
11. Shri S. Ranganathan, I.C.S., Joint Secretary to the Government of India, Ministry of Commerce.
12. Shri D. L. Mazumdar, I.C.S., Officer on Special Duty, Ministry of Commerce—Member—Secretary.

3. The headquarters of the Committee will be New Delhi, and it will meet as and when necessary. The Committee may also visit such other places as it may consider essential for the purposes of its enquiry. The report of the Committee should be submitted to the Government of India in the Ministry of Commerce not later than the end of February 1951.

ORDER

ORDERED that a copy of this Resolution be communicated to all Part A, Part B and Part C State Governments; Ministry of External Affairs; and the several Ministries of the Government of India; Prime Minister's Secretariat; Cabinet Secretariat; the Private and Military Secretaries to President; the Central Board of Revenue; the Auditor General; the Director General, Industry and Supply; the High Commissioners for India in London, Colombo, Ottawa, Karachi and Canberra; the Indian Ambassadors at Nanking, Paris, Rome, Moscow, Tehran, Kathmandu, Rangoon, Cairo, Kabul, Ankara, Washington, Prague and Rio de Janeiro; Envoys Extraordinary and Ministers Plenipotentiary of India, Stockholm, Lisbon, Bangkok and Berne; Consuls General for India in Batavia, Buenos Aires, Pondicherry, Saigon, Kashgir, New York and San Francisco, the Deputy High Commissioner for India in Lahore, London and Dacca; the Secretary to the High Commissioner for India in the Union of South Africa, Johannesburg; Agents of the Government of India in Kandy and Kuala Lumpur; Consuls for India at Saigon, Goa, and Jedda; Vice Consuls for India at Medan and Zehedan; the Indian Political Officer, Sikkim; the Representative of the Government of India in Singapore; the Commissioners for the Government of India in Trinidad, Nairobi, Mauritius and Fiji; Head of the Indian Liaison Mission, Tokyo; Head of the Military Mission, Berlin,

Indian Government Trade Commissioners in Toronto, Sydney, Mombassa, Colombo, Paris and Karachi; Assistant Indian Government Trade Commissioner, Dacca; Commercial Adviser to the High Commissioner in U. K., London; The Commercial Secretaries to the Indian Embassies at Alexandria, Rio De Janeiro, Rangoon, Tehran and Kabul; His Majesty's Senior Trade Commissioner in India; United States Embassy, New Delhi; the Canadian Trade Commissioner in India; the Australian Trade Commissioner in India; the Norwegian Consul General, Bombay; the High Commissioner for Pakistan in India, New Delhi; the Economic Adviser to the Government of India, Economic Adviser to the Rajasthan Union; the Director-General of Commercial Intelligence and Statistics, Calcutta; the Secretary, Indian Tariff Board, Bombay; the Secretary, Industrial Finance Corporation of India, New Delhi; and all recognised Chambers of Commerce and Trade Associations.

ORDERED also that it be published in the *Gazette of India*.

C. C. DESAI, Secy.

